

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary    Public

**Date:** 2/27/2014

**GAIN Report Number:**

## China - Peoples Republic of

**Post:** Beijing ATO

### Wondermilk Works Wonders In China

**Report Categories:**

Agricultural Trade Office Activities

Export Accomplishments - Events

Export Accomplishments - Other

Dairy and Products

Livestock and Products

**Approved By:**

Ralph Bean

**Prepared By:**

Pei Zhiyong/Ralph Bean

**Report Highlights:**

Hua Xia Dairy, the producer of local brand Wondermilk, has become one of the leading producers of top-quality fresh milk in China. They have accomplished this with feed, genetics and management from the United States, and are leading the way for other dairies.

## **Wonderful Wondermilk:**

Long term efforts by ATO, the U.S. Grains Council and others have helped make Huaxia Dairy, the makers of Wondermilk, a major success story for U.S. feed and genetics, as well as an exemplar of good dairy management. USDA cooperator groups, including the Grains Council, the Forage Export Council and the US Livestock Genetics Export council have worked closely with Hua Xia, helping them to build a dairy capable of producing the high-quality products that are in high demand in China. As a result, Hua Xia is having trouble keeping pace with demand, and is even looking into the possibility of sourcing fresh dairy products from the U.S. to provide additional product lines they can market.

ATO has included Huaxia in missions to the Dairy Expo to identify suppliers, and helped to incorporate them into training programs led by Worldwide Sires, CRI and USDA cooperators. Huaxia sources primarily U.S. dairy genetics and U.S. feed ingredients, for example having purchased 5,976 MT of U.S. alfalfa from January-November 2013, and expects purchases to exceed 10,000 MT in 2014.

Prospects for future growth are outstanding, as Huaxia's reputation for top notch product quality and management has led to inquiries by major food processors who wish to guarantee the quality of their products by sourcing raw materials from a producer with the highest possible reputation. The organization plans to double their processing capacity in the near future, and is limited mainly by the pace at which they can train staff in their management model. ATO is currently working with Huaxia in their efforts on this front as well.